

LBNL – PROCUREMENT STANDARD PRACTICES

Section: 15 Subcontracting by Negotiation

Subject: 15.8 Mistakes

PURPOSE: This standard practice (SP) establishes guidelines for verifying and resolving suspected mistakes in the proposal phase of any subcontract.

POLICY: A proposal must be verified when the procurement specialist suspects that a mistake has been made. Offerors may be given the opportunity to correct verified mistakes or to withdraw their proposals.

SCOPE: This SP applies to all negotiated subcontracts.

DEFINITION:

Proposal Proposal refers to an offer or bid submitted in response to the solicitation.

PROCEDURES:

Minor Mistakes The procurement specialist or an offeror may discover obvious, minor mistakes in an offer that do not displace an offeror, such as arithmetic or clerical errors. The procurement specialist may correct such minor mistakes in a solicitation with the concurrence of the offeror.

Suspected Mistakes Suspected mistakes in a solicitation offer that are less obvious, such as an abnormally high or low price (disparity in offers), or one that would displace an offeror, require more careful resolution. If such mistakes are discovered before award, the procurement specialist should provide the offeror with information regarding the suspected area of the mistake (e.g., price, description, terms) with instructions for requesting corrections to the original offer. The procurement specialist should instruct the offeror to include the following information in a request for correction or to withdraw the offer:

- Acknowledgment of the mistake;
- A detailed explanation of how the mistake occurred; and
- Details of the offer intended to be submitted.

If the offeror fails to submit the information necessary for correcting the suspected mistake, the offer shall be evaluated and accepted or rejected as submitted. The offer will be rejected, with the procurement supervisor's concurrence, in the following situations:

- There is a significant disparity with the other prices offered or with the estimated cost.
- The mistake is so obvious that acceptance of the offer would

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be unfair to the offeror.

**Mistakes
Discovered After
Award**

When a mistake is discovered after award, the procurement specialist will request the subcontractor to provide the information identified above in a request for correction and will request the offeror to provide a detailed explanation of how the mistake was made. Upon receipt of such information and explanation, the procurement specialist may:

- Correct the mistake by modification to the contract/agreement, if correcting the mistake is advantageous to the Laboratory;
- Rescind the contract/agreement;
- Modify the contract/agreement to delete the items or services involved in the mistake, if it is cost effective to do so; or
- Make no change to the contract/agreement, if so warranted.

**Letter to Offeror
Regarding
Suspected Mistake**

The Forms Cabinet contains a sample *Notification to Offerors* letter regarding a suspected mistake..

Documentation

Circumstances surrounding mistakes and their resolution must be documented in the procurement file.

RESPONSIBILITIES:

**Procurement
Specialist**

The procurement specialist shall:

- Review all proposals for mistakes and correct minor mistakes with the concurrence of the offeror;
- Provide the offeror with information regarding the suspected area of a mistake with instructions for requesting corrections to the original offer;
- Obtain clear, convincing, and documented evidence of all mistakes.;
- Allow the offeror to correct mistakes or withdraw the offer, as appropriate;
- For mistakes discovered after award, following necessary input from the subcontractor, modify or rescind the subcontract if appropriate; and
- Document all mistakes and the final outcome in the subcontract file.